The New York Times Company

620 8th Avenue
New York, NY 10018
nytimes.com

PROOF OF PUBLICATION

February 15, 2024

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2/15/2024, NY & NATL, pg B3

Larnyce Tabron

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UNITED STATES BANKRUPTCY COURT, DISTRICT OF NEW JERSEY

In re: WEWORK INC., *et al.*, Debtors.[1]	Chapter 11, Case No. 23-19865 (JKS) (Jointly Administered)

NOTICE OF BAR DATES FOR SUBMITTING PROOFS OF CLAIM AND CLAIMS UNDER SECTION 503(B)(9) OF THE BANKRUPTCY CODE AGAINST THE DEBTORS

PLEASE TAKE NOTICE THAT the United States Bankruptcy Court for the District of New Jersey (the "Bankruptcy Court") has entered the *Order (I) Setting Bar Dates for Submitting Proofs of Claim, Including Requests for Payment Under Section 503(b)(9); (II) Establishing an Amended Schedules Bar Date, a Rejection Damages Bar Date, and a Stub Rent Bar Date; (III) Approving the Form, Manner, and Procedures for Filing Proofs of Claim; (IV) Approving Notices Thereof; and (V) Granting Related Relief* (the "Order")[2] establishing **March 12, 2024** (the "General Claims Bar Date"), as the last date for each person or entity (including individuals, partnerships, corporations, joint ventures, and trusts) to submit proofs of claim (each a "Proof of Claim") against any of the Debtors listed below (collectively, the "Debtors"); *provided* that Member Claimants shall be sent an individualized Member Notice by email; *provided, further*, that, to the extent known, attorneys representing a Member Claimant shall also be sent the Member Notice by email; *provided, further*, if such Member Claimant disagrees with the amount listed on such Member Claimant's Member Notice, such Member Claimant may file a Proof of Claim at any point on or before **March 12, 2024** (the "Member Claims Bar Date").

A copy of the Order and any exhibits thereto are available (i) at the Debtors' expense upon request to Epiq Corporate Restructuring, LLC (the Noticing and Claims Agent retained in these chapter 11 cases), by calling (877) 959-5845 for callers in the United States or by calling +1 (503) 852-9067 for callers outside the United States; (ii) for no charge by visiting the Debtors' restructuring website at https://dm.epiq11.com/WeWork; or (iii) for a fee via PACER by visiting http://ecf.njb.uscourts.gov.

With limited exceptions, the Order requires that all entities (collectively, the "Claimants") holding or wishing to assert a claim that arose or is deemed to have arisen prior to November 6, 2023 (the "Petition Date"), against the Debtors set forth in Exhibit 3 to the Order (each a "Claim") to submit a Proof of Claim so as to be actually received by Epiq Corporate Restructuring, LLC (the "Notice and Claims Agent") on or before the applicable bar date (collectively, the "Bar Dates").

BAR DATES

General Claims Bar Date. Establishing **March 12, 2024**, as the last date for all persons and entities[3] to file proofs of claim based on prepetition claims, including requests for payment under section 503(b)(9) of the Bankruptcy Code and unsecured priority claims specified herein (collectively, "Proofs of Claim") against any Debtor (the "General Claims Bar Date").

Member Claims Bar Date. Notwithstanding anything to the contrary herein, the General Claims Bar Date shall not apply to claims held by the Debtors' customers and members arising out of service retainers paid in connection with such customer's or member's membership agreement with the Debtors (such claims, "Member Claims," and such customers and members, solely in their capacity as holders of such claims, "Member Claimants"); *provided* that such Member Claimants shall be sent the Member Notice by email; *provided, further*, that, to the extent known, attorneys representing a Member Claimant shall also be sent the Member Notice by email; *provided, further*, if a Member Claimant disagrees with the amount listed on such Member Claimant's Member Notice, such Member Claimant may file a Proof of Claim at any point on or before **March 12, 2024** (the "Member Claims Bar Date").[4]

Governmental Bar Date. Solely as to governmental units (as defined in section 101(27) of the Bankruptcy Code), establishing **May 6, 2024**, as the last date for each such governmental unit to file Proofs of Claim asserting claims against any Debtor that arose or are deemed to have arisen on or before the Petition Date (the "Governmental Bar Date").

Amended Schedules Bar Date. In the event that the Debtors amend their Schedules (as defined herein), **establishing the later of (a) (i) the General Claims Bar Date or (ii) the Governmental Bar Date, as applicable, and (b) on the date that is thirty (30) calendar days from the date on which the Debtors provide notice of the amendment to the Schedules, as the last date by which claimants holding claims affected by the amendment must file Proofs of Claim with respect thereto against any Debtor** (such later date, the "Amended Schedules Bar Date").

Rejection Damages Bar Date. Solely as to claims arising from the Debtors' rejection of executory contracts and unexpired leases, **establishing the later of (a) (i) the General Claims Bar Date or (ii) the Governmental Bar Date, as applicable, and (b) on the date that is thirty (30) calendar days after the later of (i) entry of the order approving the Debtors' rejection of the applicable executory contract or unexpired lease and (ii) the effective date of such rejection** as the last date by which claimants holding claims based upon such rejection must file Proofs of Claim with respect thereto against any Debtor, **unless otherwise ordered by the Court** (such later date, the "Rejection Damages Bar Date").

Stub Rent Bar Date. Solely as to claims that arise in connection with the Debtors' occupation of a lease of nonresidential real property in the period from and including November 6, 2023, through and including November 30, 2023 (each a "Stub Rent Claim," and each claimant, a "Stub Rent Claimant," and collectively, the "Stub Rent Claimants"), **establishing the date that is forty-five (45) calendar days after the Debtors serve to each such claimant, as well as any other party entitled to receive notice of the same pursuant to the Case Management Order, a schedule setting forth the Debtors' calculation, based on the Debtors' books and records and internal analysis, of the Stub Rent Claims owed to all Stub Rent Claimants** (the "Stub Rent Claim Schedule"), as the last date by which holders of Stub Rent Claims may file a Proof of Claim in an amount different from the amount of such Stub Rent Claim identified on the Stub Rent Claim Schedule (the "Stub Rent Bar Date," and together with the General Claims Bar Date, Member Claims Bar Date, Governmental Bar Date, Amended Schedules Bar Date, and Rejection Damages Bar Date, as applicable, the "Bar Dates"); *provided* that such Stub Rent Claimants shall be served the Stub Rent Claim Schedule (via email and direct mail to the mailing address of the applicable landlord (to the extent known) and counsel (to the extent known), including any attorney that has filed a notice of appearance in these chapter 11 cases); *provided, further*, that a Stub Rent Claimant that disagrees with such holder's Stub Rent Claim amount listed on the Stub Rent Claim Schedule must first engage in a good-faith attempt to resolve such disagreement with the Debtors before filing a Proof of Claim with the Court.

When and Where to Submit. Each Proof of Claim, including supporting documentation, must be submitted so that the Notice and Claims Agent ***actually receives*** the Proof of Claim on or before the applicable Bar Date by: (i) electronically using the interface available on the Notice and Claims Agent's website at https://dm.epiq11.com/WeWork; (ii) first-class U.S. Mail, which Proof of Claim must include an original signature, at the following address: WeWork Inc. Claims Processing Center, c/o Epiq Corporate Restructuring, LLC, P.O. Box 4421, Beaverton, OR 97076-4421; or (iii) overnight mail, or other hand-delivery system, which Proof of Claim must include an original signature, at the following address: WeWork Inc. Claims Processing Center, c/o Epiq Corporate Restructuring, LLC, 10300 SW Allen Blvd., Beaverton, OR 97005.

PROOFS OF CLAIM MUST BE SUBMITTED BY MAIL, BY HAND DELIVERY, OR THROUGH EPIQ'S WEBSITE.

PROOFS OF CLAIM SUBMITTED BY FAX OR EMAIL WILL NOT BE ACCEPTED AND WILL NOT BE DEEMED TIMELY SUBMITTED.

Contents of Proofs of Claim. Each Proof of Claim must: (i) be written in English; (ii) be denominated in United States dollars; (iii) conform substantially with the Proof of Claim Form provided by the Debtors or Official Form 410; and (iv) be signed or electronically transmitted through the interface available on the Notice and Claims Agent's website at https://dm.epiq11.com/WeWork by the Claimant or by an authorized agent or legal representative of the Claimant. **Please note** that, subject to exceptions as set forth in paragraphs 5, 12, and 22 of the Order, each Proof of Claim must specify by name and case number the Debtor against which the Claim is submitted by selecting the applicable Debtor at the top of the proposed Proof of Claim Form. Any Proofs of Claim (i) with respect to an alleged right of payment arising out of or relating to acts, omissions, or transactions occurring on or prior to November 6, 2023, and (ii) that identify WeWork Companies LLC as the applicable Debtor entity shall be deemed to have been submitted against Debtor WeWork Companies U.S. LLC with a notation that a discrepancy in the submission exists.

Section 503(b)(9) Claims. Vendors and suppliers of goods may be entitled to request an administrative priority Claim under section 503(b)(9) of the Bankruptcy Code to the extent they delivered, and the Debtor received, goods within the twenty-day period prior to the Petition Date. The Court has deemed the submission of a Proof of Claim as satisfying the procedural requirements for asserting such a Claim under section 503(b)(9) of the Bankruptcy Code. In addition to the other requirements listed above, any Proof of Claim asserting a 503(b)(9) Claim must (i) include the value of the goods delivered to and received by the Debtors in the twenty (20) days prior to the Petition Date; (ii) attach documentation of the date on which the goods were delivered to and received by the Debtors; (iii) attach any documentation identifying the particular invoices for which the 503(b)(9) Claim is being asserted; (iv) attach documentation of any reclamation demand made to any Debtors under section 546(c) of the Bankruptcy Code (if applicable); and (v) set forth whether any portion of the 503(b)(9) Claim was satisfied by payments made by the Debtors pursuant to any order of the Court authorizing the Debtors to pay prepetition claims.

Identification of the Debtor Entity. Subject to exceptions as set forth in paragraphs 5, 12, and 22 of the Order, each Proof of Claim must specify by name and case number the Debtor against which the claim is submitted by selecting the applicable Debtor at the top of the proposed Proof of Claim Form. Except for limited exceptions set forth in the Order, a Proof of Claim submitted under Case No. 23-19865 (JKS) or that does not identify a Debtor will be deemed as submitted only against WeWork Inc. A Proof of Claim that names a subsidiary Debtor but is submitted under Case No. 23-19865 (JKS) will be treated as having been submitted against the subsidiary Debtor with a notation that a discrepancy in the submission exists. On November 6, 2023, WeWork Companies LLC changed its name to WeWork Companies U.S. LLC and then underwent a corporate division, pursuant to which WeWork Companies U.S. LLC (formerly known as WeWork Companies LLC) was divided into two companies (the "Corporate Division") and its liabilities were allocated as follows:

a. **WeWork Companies LLC** retained all guarantee obligations associated with any leases that related to real property located in Ireland, the United Kingdom, or Australia (the "Excluded Countries"), where such lease (or the associated guarantee obligations) remained in effect as of November 6, 2023 (such obligations, the "Excluded Guarantee Obligations"); and

b. **WeWork Companies U.S. LLC** retained ***all other*** obligations (i.e., except the Excluded Guarantee Obligations), including all guarantee obligations associated with (a) all leases for real property located in the United States, Canada, and any other country **except** the Excluded Countries, and/or (b) leases for real property in Excluded Countries **if** such leases were forfeited (and occupation of such real property permanently ceased) prior to November 6, 2023 ("Inactive Leases"), including those leases for real property located at 12 Moorgate, 52 Bedford, and/or 91 Baker Street, in London, England.

Following the Corporate Division, WeWork Companies U.S. LLC filed for chapter 11 and is a Debtor in these chapter 11 cases; WeWork Companies LLC did not file for chapter 11 and is not a Debtor in these chapter 11 cases. Accordingly, **any person or entity that had a claim against the pre-Corporate Division entity known as WeWork Companies LLC should file a Proof of Claim against Debtor WeWork Companies U.S. LLC, EXCEPT FOR any creditors asserting claims arising from the Excluded Guarantee Obligations (for which non-Debtor WeWork Companies LLC remains solely liable to third parties)**. For clarity, **any creditor seeking to assert a guarantee claim for Inactive Leases in Excluded Countries should file a Proof of Claim against Debtor WeWork Companies U.S. LLC**. The failure to select the correct Debtor on the Proof of Claim form shall not be a basis to object to the allowability of the Claim; *provided* that the asserted Claim otherwise complies with the terms of the Bar Date Order.

Consequences of Failing to Timely Submit Your Proof of Claim. Any Claimant who is required, but fails, to submit a Proof of Claim in accordance with the Order on or before the applicable Bar Date shall be forever barred, estopped, and enjoined from asserting such Claim against the Debtors (or submitting a Proof of Claim with respect thereto). In such event, the Debtors' property shall be forever discharged from any and all indebtedness or liability with respect to such Claim, and such holder shall not be permitted to vote to accept or reject any plan filed in these chapter 11 cases, participate in any distribution on account of such Claim, or receive further notices regarding such Claim.

Reservation of Rights. Nothing contained in this notice is intended to or should be construed as a waiver of the Debtors' right to: (i) dispute, or assert offsets or defenses against, any submitted Proof of Claim or any Claim listed or reflected in the Schedules as to the nature, amount, liability, or classification of such Claims; (ii) subsequently designate any scheduled Claim as disputed, contingent, or unliquidated; or (iii) otherwise amend or supplement the Schedules.

Additional Information. If you have any questions regarding the Claims process and/or if you wish to obtain a copy of the Order (which contains a more detailed description of the requirements for submitting Proofs of Claim), a Proof of Claim form, or related documents, you may do so by visiting the Debtors' restructuring website at https://dm.epiq11.com/WeWork or contacting the Notice and Claims Agent by calling (877) 959-5845 for callers in the United States or by calling +1 (503) 852-9067 for callers outside the United States and/or writing to the following address: WeWork Inc. Claims Processing Center, c/o Epiq Corporate Restructuring, LLC, P.O. Box 4421, Beaverton, OR 97076-4421.

[1] A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at https://dm.epiq11.com/WeWork. The location of Debtor WeWork Inc.'s principal place of business is 12 East 49th Street, 3rd Floor, New York, NY 10017; the Debtors' service address in these chapter 11 cases is WeWork Inc. c/o Epiq Corporate Restructuring, LLC 10300 SW Allen Blvd. Beaverton, OR 97005.

[2] Capitalized terms used but not defined herein shall have the meanings set forth in the Order.

[3] Except as otherwise defined herein, all terms specifically defined in the Bankruptcy Code shall have those meanings ascribed to them by the Bankruptcy Code. In particular, as used herein: (i) the term "claim" has the meaning given to it in section 101(5) of the Bankruptcy Code; (ii) the term "entity" (including individuals, partnerships, corporations, joint ventures, estates, and trusts) has the meaning given to it in section 101(15) of the Bankruptcy Code; (iii) the term "governmental unit" has the meaning given to it in section 101(27) of the Bankruptcy Code; and (iv) the term "person" has the meaning given to it in section 101(41) of the Bankruptcy Code.

[4] For the avoidance of doubt, the amount of the Membership Claim shall be subject to all deductions and setoffs provided for in the membership agreement that gives rise to such Membership Claim, if any.

ECONOMY | POLICY

Surge in Productivity Acts as Secret Sauce For Economic Growth

FROM FIRST BUSINESS PAGE

booming during the lockdowns, as people idled at home spent their disposable income on buying goods.

Those sorts of businesses, Mr. Rezvani observed, are unornamented, lean and stringent about how many machines or work hours are needed per order. Looking for a second shot at opening a restaurant, he made maximizing output his North Star: "I was like, 'I have to make this whole thing more efficient.' It's a business at the end of the day."

In early 2021, he noticed a restaurant space for lease on East Seventh Street in the East Village neighborhood of Manhattan. The landlord, desperate for tenants after the pandemic shutdowns, gave him and his new partner a discount. They had to scrounge to make the security deposit, but believed in their bet.

"I maxed out my credit card," Mr. Rezvani said. "And it hit."

Featuring a minimalist menu, hole-in-the-wall square footage, and a limited set of ingredients and produce, 7th Street Burger opened that May and quickly took off. From 40 employees 16 months ago, it has grown into a chain with 330 employees across 13 locations and plans for a national expansion.

Some swankier, full-service restaurants in the city with long lists of overhead costs, a fluctuating work force and a set of rarely picked menu options are "making 200 bucks an hour" in sales, Mr. Rezvani argues. But on a good day, he can do $2,000 an hour "with three guys on the grill, with three items on my menu, nine ingredients in my restaurant."

"We're a cash machine," Mr. Rezvani said.

In search of a win-win

7th Street is the sort of success story that exemplifies the nascent burst in productivity that the U.S. economy has experienced over the past year or so, after a plunge in 2021 and 2022.

Economists typically measure productivity as a simple ratio: the total amount of output an economy produces per hour worked by its labor force. On that score, productivity increased 2.7 percent in 2023, according to the Bureau of Labor Statistics, and over the last two quarters has been growing at more than double the rate from 2005 to 2019.

On a less technical level, productivity can generally be explained by the old axiom about "doing more with less," or the folksy virtue of "getting the biggest bang for your buck."

Economists tend to sigh with relief whenever they see a gain in productivity, because it offers a potential win-win for workers, customers and business owners: If businesses can make as much money or more in fewer work hours, then — according to standard economic logic — they can make more per hour, reinvest in operations and pay workers a bit more without sacrificing profitability (or leaning on price increases to push profits higher).

As Joseph Brusuelas and Tuan Nguyen, economists at the consulting firm RSM, put it in a note in late January: "The increase in American productivity over the past year, if sustained, is a potential game changer for the economy that represents that mythical rising tide that lifts the living standards of all."

In recent history, the give-and-take between gains in productivity and increases in worker pay has been uneven. Many economic models suggest that if workers begin doubling their daily or hourly production, they are likely to be paid about twice as much as before. From 1979 to 2022, however, productivity grew by more than four times the inflation-adjusted 14.8 percent growth in compensation for average nonsupervisory workers in the private sector, who are roughly eight of 10 people in the labor force.

Still, so far in this cycle, productivity has acted like a secret sauce, enabling the other ingredients of what analysts have been calling a "soft landing" to coexist: slowing inflation, sturdy economic growth, strong wage gains and unemployment near record lows.

"Pandemic-related labor shortages caused a lot of businesses to think of how they could use labor more efficiently," said Dean Baker, an economist at the Center for Economic and Policy Research, a labor-focused think tank in Washington. "So I'm going to be a productivity optimist for the first time in my life."

Analysts at Employ America, a firm that tracks financial and labor market data, attribute much of the improvement to a discrete phenomenon: Commercial construction has grown at a scorching pace — fueled in part by Biden administration programs — as inflation abated and the price of oil and raw materials, like lumber, plunged back to more normal levels after the supply shocks of 2022. A memo from RSM points to "the integration of advanced technology into the production of goods and provision of services" as now paying dividends, too.

A growing slate of firms in finance, manufacturing and transportation logistics are offering digital tools that — even without avant-garde A.I. features — seem to offer the ballyhooed promise of working "smarter, not harder" and cutting down on drudgery.

Ycharts, a company founded in 2009, sells a platform on which users visualize complex financial market data, then create sleek, customizable charts and portfolios. After recent updates, the company reported that its customers at financial advisory firms had been saving more than a dozen hours on average per week on the busywork of data analysis.

There has also been a swift overall shift toward corporate belt-tightening since 2021, in reaction to either higher borrowing costs brought on by higher interest rates or an expected slowdown in sales. And that has affected a range of investors as well as entrepreneurs who were part of the surge in business creation that began in 2020.

"There's more pressure on businesses than ever to get to profitability as quickly as possible," said Katie Tyson, 37, the founder of Hive Brands, a new web retailer that curates, vets and sells sustainable-branded food and wellness products.

Although she calls Hive "a child of the pandemic," having launched in 2020 when borrowing was still ultracheap, "we've been very cost-conscious, I think in a way that the start-ups of the 2010s were not," Ms. Tyson added. "It's no longer growth at all costs."

Businesses also appear to be responding more swiftly to shifting consumer habits. A greater emphasis on delivery and takeout orders, for instance, has lifted profit margins at many food businesses. Retail analysts report that better-targeted ads and growth in e-commerce have helped firms large and small. And champions of hybrid and remote work options argue that those models reduce wasted commuting hours and help executives employ the best of a talent pool regardless of location.

Fruits of a tight labor market

Data on productivity can be misleading. Its core calculation — output per hour — worked best when America was an industrial and agricultural society, mainly producing bushels of wheat or nuts and bolts for manufactured goods, versus the harder-to-quantify services-oriented consumption that makes up most of today's economy.

The data can be especially misleading when measured over short periods.

For instance: Did the entire U.S. economy truly become 20 percent more productive in the second quarter of 2020 on an annual basis, as a face-value reading of the data would suggest? Or was it just that millions of workers were laid off in a couple of months while the economy contracted only slightly, causing the simplistic ratio of output per worker to look better in a spurious way?

Apparent leaps in efficiency can go missing in official data, too, or lag behind for years. In 1987, the Nobel laureate economist Robert Solow observed that "you can see the computer age everywhere but in the productivity statistics." (A brief surge showed up in the numbers in the late 1990s and early 2000s before petering out.)

In 2016, the chief economist at Google, Hal Varian, told Bloomberg: "We're certainly not measuring productivity right — but then, we didn't measure it right before, either. So are we doing a worse job measuring productivity than we used to? I think there are some arguments that suggest we are."

Looking forward, a range of market analysts are making the case that a crucial variable in broad productivity improvement thus far has been an unemployment rate near record lows.

Peter Williams, an economist and managing director at 22V Research, an investment strategy and quantitative analysis firm, wrote in a recent note that "firms have been forced to innovate and adapt in an environment of tight labor markets." He added that for many firms, relying on "low-cost labor and low-cost capital is not really an option anymore."

When a company needs all hands on deck to keep up with sales, using layoffs to improve the bottom line can have the opposite effect. Instead, improving efficiency rather than reducing head count often becomes the better growth engine, or competitive edge.

Keeping productivity growth near current rates may require efficiency gains from A.I. technology and continued taming of inflation, though a range of Wall Street analysts are confident that both can happen.

For some labor economists — who have seen shareholders and business owners recoup the largest share of productivity gains over the past few decades while wage gains slumped — the primary question in the near future is whether workers will be able to obtain a larger slice of the pie this time.

Kathryn Anne Edwards, an economic policy consultant and an adjunct at the RAND Corporation, worries that future productivity gains may be largely attributed to technology innovations and not worker input or ability, weighing down average wage growth, which has recently managed to jump.

"Wages are determined by either power or productivity," Ms. Edwards said. "The low wages that so many workers make are predicated on this notion that people are paid what value they bring. And that value is measured how exactly?"

PHOTOGRAPHS BY GABBY JONES FOR THE NEW YORK TIMES

Featuring a minimalist menu, hole-in-the-wall square footage, and a limited set of ingredients and produce, 7th Street Burger opened in the East Village in Manhattan in May 2021 and quickly took off.

I.R.S. Commissioner Looks to Lay Out Agency's Progress in an Effort to Fend Off Budget Cuts

By ALAN RAPPEPORT

WASHINGTON — At his Senate confirmation last February, Daniel Werfel told lawmakers that if given the job of Internal Revenue Service commissioner he would work to increase "public trust" in the beleaguered agency and use the $80 billion that Congress had granted it to build a "more modern and high-performing" organization.

A year later, Mr. Werfel has overseen the clearing of a backlog of thousands of tax filings, shrinking wait times on the I.R.S. telephone lines and the creation of a system that lets qualified taxpayers submit their federal returns with no cost. But those achievements have not been enough to satisfy Republicans, who have accused Mr. Werfel of making the I.R.S. more intrusive and even engaging in lawless behavior.

Hostile congressional hearings are routine for I.R.S. commissioners and when Mr. Werfel testifies before the House Ways and Means Committee on Thursday, he will receive a frosty reception as he fends off efforts to cut his agency's budget.

For Mr. Werfel, the face-off is an opportunity to explain why even skeptics would benefit from a well-funded I.R.S.

"I think the most powerful statement the I.R.S. can make, when there's a proposal to significantly cut our budget, is to show our work and to demonstrate that we're on a strong path to improving tax operations in a way that benefits taxpayers," Mr. Werfel said in an interview this week.

The I.R.S. was supposed to get $80 billion as part of the Inflation Reduction Act of 2022, and that money was expected to help the agency crack down on tax cheats and modernize its antiquated technology. As part of an agreement to raise the debt limit last year, Democrats went along with Republicans' demands to claw back $20 billion of those funds. And Republican lawmakers have in recent months been eyeing additional cuts amid negotiations related to paying for other policies.

During his first year on the job, Mr. Werfel has tried to ease concerns fomented by critics of the agency that the I.R.S. would be

Daniel Werfel, the I.R.S. commissioner, has faced G.O.P. accusations that he's made the agency more intrusive.

hiring thousands of armed agents to harass middle-class Americans and small businesses. To do that, he has focused on efforts to make the I.R.S. more accessible by staffing up customer service centers and making it possible for taxpayers to reach the agency without having to wait for hours on the telephone.

As part of its modernization campaign, the I.R.S. also announced initiatives to crack down on wealthy tax evaders, stopped its practice of sending agents unannounced to residences to collect unpaid taxes and started introducing artificial intelligence technology into its audits.

Top Republicans have argued that any signs of progress at the I.R.S. are overshadowed by lingering problems. They insist that Mr. Werfel's agency, which they believe has a history of targeting conservatives, is influenced by politics and favors Democrats.

Those concerns have been inflamed by recent security breaches. The I.R.S. has been under pressure to improve its data security protocols after a former contractor who was accused of leaking the tax documents of Donald J. Trump and other wealthy Americans was sentenced to five years in prison. A report published last week by the Treasury Inspector General for Tax Administration found that as of July, more than 200 former I.R.S. employees or contractors still had access to sensitive information.

Members of the tax committee are expected to press Mr. Werfel on Thursday about why he delayed enforcement of a contentious tax policy that would require users of digital wallets and e-commerce platforms like Venmo, PayPal, Cash App, StubHub and Etsy to start reporting small transactions to the tax collection agency. The policy was enacted as part of the American Rescue Plan of 2021 and has faced criticism because it would increase scrutiny of lower- and middle-class taxpayers. Although Republicans loathe the policy, they contend that Mr. Werfel's delays are flouting the law.

"The I.R.S. should not be shielding Democrats from the consequences of their own bad lawmaking," Representative Jason Smith of Missouri, the Republican chairman of the Ways and Means Committee, said in a statement. "The I.R.S. cannot sidestep the Constitution and simply rewrite laws."

Mr. Werfel said he planned to argue that he was within his rights to delay the so-called Venmo tax because the law, as written, would cause confusion and potentially harm taxpayers. And he would make the case that data security at the agency had improved in the past year. Such incidents, however, have provided critics of the I.R.S. with fodder to argue that it does not deserve the additional funding that it has received.

"Whenever you have some negotiation about budget things, you want money for Ukraine or Israel or something, we'll take it out of the I.R.S. piggy bank," said Grover Norquist, founder and president of Americans for Tax Reform, a group that promotes lower taxes. "Because they've shown no seriousness about being better about anything."

The Biden administration has said the continuing attacks on the I.R.S. are part of a strategy to weaken the agency so it does not have the capacity to catch wealthy taxpayers who evade paying what they owe. The Treasury Department estimates that the United States has a nearly $700 billion "tax gap" of revenue that is uncollected every year and argues that stronger enforcement of the tax code is critical for reducing America's reliance on borrowed money.

"There are those who have power and those who have wealth who would like nothing more than for the I.R.S. to not have the resources to go after them and make them pay their fair share," Wally Adeyemo, the deputy Treasury secretary, said in an interview.

The discussions about chipping away at the agency's funding have left Mr. Werfel looking over his shoulder as he tries to carry out the priorities in the ambitious multiyear operating plan that the agency produced last year.

Mr. Werfel said that the barrage of criticism directed at the I.R.S. over the years had taken a toll on its staff but that he believed that morale was starting to improve. He likens the role of the agency to that of an impartial referee who is necessary for government to function, but he acknowledges the challenge of staying out of politics.

"I think most people see us as the tax collector, and that is not the most popular action that the government takes," Mr. Werfel said. "It becomes the reality that when the debate is about the role of government, the size of government, the actions of government, that the I.R.S. is going to be front and center in that debate."